

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:7608
ANSWERED ON:16.05.2002
POWER GENERATION BY THERMAL POWER
RAMJI LAL SUMAN

Will the Minister of POWER be pleased to state:

- (a) whether the generation cost of thermal power in the country can be reduced with the use of quality coal;
- (b) if so, the reaction of the Government thereto;
- (c) whether with the use of imported coal in place of coal supplied by the coal India Limited, the power can be generated at low cost; and
- (d) if so, the profit likely to be accrued per unit of power?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) : Yes, Sir. The use of quality coal can reduce the generation cost of thermal power due to less Operation & Maintenance and Specific Secondary Fuel Oil costs.

(b) : Coal supplied to utility thermal power stations generally have an ash content varying between 30% - 45% or higher except for a few power stations where coal is supplied with ash content below 30%. Ministry of Environment and Forest's Notifications have stipulated that power stations situated in Critical Polluted Areas, Sensitive Areas, Urban Areas and 1000 KM away from coal sources, have to use Raw Blended/Beneficated coal having ash content not exceeding 34% on annualized basis with effect from 1st June, 2002. Due to limited coal washeries capacity at present, blending of inferior quality coal with better grade of coal is essential. Availability of better quality coal being limited, some import of coal is necessary for blending purposes in the coastal power stations.

(c) : Imported coal generally has ash content between 10% - 15% with a higher Gross Calorific Value (GCV). Boilers of Indian power utilities are mainly designed for use of lower grade coal and as such cannot exclusively burn imported coal with high GCV. Imported coal is mainly used for blending purposes upto 20% - 30% of indigenous coal. Such blended coal has improved the performance of thermal power stations and lowered the cost of power generation.

(d) : Blending of imported with indigenous coal, has cost benefits including less pollution and less ash disposal. However, it is very difficult to quantify the actual cost benefit, in general, as the situation depends on the location of power station (distance from indigenous coal source, mode of transportation, importing port etc.) and landed cost of imported coal compared to the landed cost of indigenous coal, normally supplied to the particular power station.